HUMAN EVENTS

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News Section *Printed in Two Sections*

Second Coming of Adlai: Washington takes less seriously than do the solemn editorialists the start of Stevenson's nomination campaign. On many lips, "little joker" (his nickname in '52) has been succeeded today by "laughing boy."

Those who look behind his neat witticisms concede that perhaps Adlai will manage to entrench himself among the Democratic voters in coming months, as a "front runner." But, if so, he will lack some 280 megaphones which normally are essential to building up a candidate. Two hundred and eighty is the total number of Democratic members of Congress. These Representatives and Senators talk a lot in their districts and states and often guide voters in their choice.

Members who have drifted back to the Capital from the Democratic meeting held in Chicago last week say that the big dinner which Adlai addressed was remarkable for the scarcity of members of Congress among the diners. Many members went to Chicago to chin with other politicos, but very few sat down at table to listen to Adlai. They stayed outside the banquet hall talking politics: a footnote on the developing unpopularity of Adlai. And the latter, in the lordly style of FDR and HT, gave little recognition to Congress in his oration.

Much talk, also, about whether Kefauver, who may knock over Stevenson in the primaries, is enjoying help from the capacious funds of Governor Harriman. And there is a titillating fact, so far unreported in the press, which HUMAN EVENTS receives from reliable sources.

Emissaries of Kefauver have talked to friends of Governor Frank J. Lausche — regarded as a potentially powerful candidate for the nomination. The men from Tennessee told the men from Ohio that Kefauver would be willing, come the convention, to take second place on the ticket with Lausche. No reports as to the Ohio reactions to this.

Democratic Strategy: Behind the "class angle" oratory of the Democratic leaders lies a considerable measure of pure cynicism and ruthless calculation. Behind the attack of Governor Harriman on the "moderate" line adopted by Stevenson — as many here see it — was no long-run socialistic scheme, nor the Marxist ADA intellectuals, but simply the machiavellian machine bosses counting votes to be captured. The latter crowd reportedly figure that all the Democrats have to do is "hold their own" — that is, to keep the substantial vote they have cast in former years, to retain the "regular customers" who learned to like the class-angle stuff given them by FDR and Truman and, meanwhile, to let the Republicans continue to split themselves into defeat.

As to this last factor — objectively examined by veterans at the press tables — the Democratic politicos have "something." Last week, this column reported that the dismal defeat of the Republicans in the Indiana elections was due to a split in the GOP — the conservative Taft followers vs. the Eisenhower-controlled state machine — with the former staying at home on election day. Meanwhile, the Democrats kept their "regular customers." This week, David Sentner, long-time political writer in Washington for the International News Service, says (November 21) that the Democrats are not really "counting on the farm problem, foreign policy or favors-to-big-business as the issues to turn the trick. It is betting the party donkey on a knockdown battle before, during and after the national convention between the conservative and liberal wings of the GOP."

This developing split between the conservatives in the Republican ranks and the White House

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"liberals" took form this week in open differences between Senator Goldwater, head of the GOP Senatorial campaign committee and Ike's Secretary of Labor James P. Mitchell. The Senator attacks the labor bosses and apparently wants to cultivate the rank and file of downtrodden labor union members — which was the policy of Taft. Mitchell wants to appease the labor bosses.

Those who keep the score in Washington believe Goldwater should win, on the basis of statistics. They quote a recent release of the Dunn Survey, which in the past has proved a keen analysis of election statistics. The Dunn outfit points out that "in the largest (labor) areas of the country the Democrat share of the votes cast for President in 1940, 1944, 1948 (also in '52) was the same or smaller than in 1932 — before the era of the welfare-socialist programs; and before the great growth and political activities of labor unions. Even in their citadel of Detroit, labor leaders have been unable to elect their candidates for Mayor." The Survey attacks the reputed power of leaders to deliver "labor votes" as well as Republican inclinations to compete with Democrats in appeasing the labor bosses.

Education Front: While thousands of delegates to the White House Conference on Education are arriving in Washington this weekend, a statistical organization offers them some sober figures about the real cost of Federal aid. The Public Expenditures Survey, Inc. shows how the taxpayers of New York would suffer if their state gets the Federal aid to education which Governor Harriman claims is "needed."

The analysis is particularly enlightening for deluded parents, who usually go on the serene assumption that Federal aid to education is money in the pocket and that the Treasury in Washington pays all the bills, with net savings to the local taxpayer. On the contrary, the survey by the New York group produces new evidence suggesting that the local taxpayer would be better off financially if his local authorities performed the job of building, expanding and providing additional staff to his local school system.

The Report says that, under the Kelley bill, $1.6 billion would be paid to the states by the Federal government over a 4-year period, in proportion to the school age (5 to 17) in each state. New York has 8.27 per cent of the national school-age population. Thus, New York would receive 8.27 per cent of the aid, or $132,000,000. But, it is pointed out, the people of New York pay at least 12.44 per cent of all Federal taxes. Therefore, they would pay about $199 million worth of the Federal tax-take needed to underwrite the Federal school program. That amounts to $67 millions more than they would get back in Federal aid.

In short, if the Federal aid bill is enacted, New York state would get $132 millions worth of school buildings for $199 millions worth of Federal taxes. But if the $199 millions were raised by state and local taxes, they would have $67 millions more for school construction and operation. Incidentally, that $67 millions would pay for construction of over 2,000 classrooms providing space for 50,000 or more pupils.

Labor Front: "Compulsory unionism today is the cancer of the labor movement," said the Hon. Fred A. Hartley, Jr., former congressman and co-author of the Taft-Hartley Labor Act, in a recent speech. Mr. Hartley probably had reference to the fact that the body politic of employer-employee relations is — no more than the human body — unlikely to yield to any quick cure, and that the basic disease can go on.

Recovery from the malady, just at present, superficially seems to indicate some betterment — all in the Capital agree. The Perfect Circle company's fight against compulsory unionism has been eminently successful. Mob action was repelled and the latest NLRB-sponsored elections showed a distinct reverse for Reuther's UAW which sought to perpetuate the "cancer" among this company's employees. Likewise, the Kohler company of Wisconsin has won its strike against the UAW in the latter's demand for compulsory unionization of that plumbing company's plant. Despite the victory, however, there are reports that the Kohler company is contemplating removal of its plant operations to South Carolina — an area where labor conditions are more favorable.

But, those who study these questions in Washington are far from convinced that the battle is won.

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What Reuther failed to do by brutal frontal attack, he may accomplish by other means. At one phase of the Perfect Circle case, there were rumors that Reuther might force the customers of Perfect Circle (which makes piston rings) to buy from union shop companies. That failed to take place. But the threat remains.

Washington wonders — will Reuther now try to reach his objective by arrangements with big business, no matter how strenuous the resistance may prove in smaller companies? Union deals on a national scale with mammoth corporations have not been unknown in the past and have compelled little business to go along. Officers of great companies such as the big auto manufacturing concerns have at times — when caught in the middle by cost problems and intense competition — been known to submit to union shop contracts artfully offered by leaders like Reuther. There always exists a temptation to resolve such a crisis by making a deal with the union bosses.

There are other objective considerations which dampen optimism among those who fight the "cancer of the labor movement." It is true that 18 states have Right to Work laws on their statute books, banning compulsory unionism. But, even Mr. Hartley admits that many of these state laws may not be very effective. "The Supreme Court, generally speaking," remarks Hartley, "takes the position that Federal labor legislation pretty well preempts the field in which it operates. In layman's language, this means that a lot of state labor provisions don't amount to much because federal law is controlling." Quite obviously, the "right-to-work" crusade has much still to accomplish.

Assault On The Immigration Act: The preliminary barrage of what is expected to be a massive attack to destroy the McCarran-Walter Immigration Act was laid down this week at the hearings of the Senate subcommittee on immigration headed by Senator Kilgore (D., W. Va.), Chairman.

Letter from LAWRENCE FERTIG, Economics Columnist, New York *World Telegram*: "So much of our news is slanted these days, that it isn't easy to get at the truth. HUMAN EVENTS is an invaluable aid in arriving at it."

While many critics profess that they want only to eliminate alleged "evils" and "discriminations" in the Act, those who watch the developing struggle have no illusions about one thing: This attack is mounted with no mere revision in view, but with intent to abolish our whole system of regulation of immigration and of the screening of the type of immigrant allowed to enter. It may well succeed — according to legislative observers — in the next session of Congress.

The legislation to "amend" the Act stems basically from no mere "fishing for votes" among purportedly discontented minority groups who might want quotas revised so as to bring in relatives from abroad. The real push behind the offensive, indeed, comes from the most sinister groups in the country.

For instance, the National Committee for Repeal of the McCarran Act (NCRMA) quite evidently directs the major strategy of the drive. According to Dr. J. B. Matthews — writing in the *American Mercury* (October, 1955), the NCRMA "is a unit of the Communist-front apparatus, if there ever was one." Matthews, whose wide knowledge of this subject is well-known, tells in his article entitled "Immigration: 1956 Issue" how this NCRMA grew out of the American Committee for Protection of the Foreign Born, a well-recognized Communist front. Quoting from Senate hearings, Matthews shows how one prominent official of the latter committee was questioned by Mr. Richard Arens, immigration expert, on the origins of the NCRMA and how this official invoked the Fifth Amendment in response to all questions about the Communist origins of the National Committee to Repeal the McCarran Act.

The American Committee for Protection of Foreign Born, according to Matthews, "is one of the oldest units of the Communist apparatus," but has been so branded by Congressional and legislative Committees as a Communist organization that it has lost its effectiveness. "It was therefore," says Matthews, "necessary to set up the NCRMA as a device for ensnaring those who shy away from too close association with the Communist Party and the readily recognized units of the Communist apparatus."

In the latter endeavor, the NCRMA has apparently proved successful. Matthews gives a list of

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the Communist affiliations and connections of the top organization of the NCRMA and 30 names of prominent people of "liberal" reputation who are on the letterhead this year of the NCRMA. They include 18 clergymen. These 30, says Matthews, have a combined total of more than 1000 affiliations with the Communist front apparatus.

The objectives of the Communist apparatus, in trying to destroy the McCarran-Walter Act, are primarily two, as follows: (1) to allow unobstructed entrance into the U.S. of Kremlin followers; and (2) to stop the deportation of alien Communists from the U.S. The "liberal" dupes, naturally, go along for various "liberal" reasons.

The danger that this extraordinary offensive may succeed after Congress convenes in January is estimated as considerable. It is true that the Act was originally passed in 1952 by an overwhelming majority of Congress. But today the situation is changed. Mr. Truman is no longer here. In 1952 his unpopularity and his opposition to the Act made votes for it. Next, Senator McCarran was a tower of strength both in Congress and in the country in favor of it. He died in 1954. Finally, the Act has been smeared by a clever and mendacious propaganda campaign, which the press has failed to debunk.

Therefore, in view of this situation, patriotic and veterans groups — The American Coalition, the D.A.R., American Legionnaires and Veterans of Foreign Wars — are organizing a national defense of the Immigration Act.

European Discrimination Against U.S.: Financial reporters present gasped (on November 18) at some remarks made by Professor Jacob Viner of Princeton before the subcommittee of the Joint Committee on the Economic Report, relative to foreign economic policy. Tariff protectionists, and critics of our reciprocal trade policy and of European restrictions working against American exports have rarely been as blunt as the distinguished Princeton economist, who talked of European economic union.

He noted that Americans from 1944 on had been "pressing hard on Western Europe" diplomatically and in other ways to get Europe to organize and "to move in the direction of western unification." Viner declared that "European regionalism is historically and otherwise a program to make a discrimination against American exports respectable." The history of European union, he went on, is a "search for ways" to organize "respectably" (without leading us to take strong retaliatory measures), "so as to keep out imports from the United States." Professor Viner added: "All that I am suggesting is some of the Americans who have been promoting this have been a little naive."

Watch For: A big New York producer has bought an option on a play, by an anti-Communist author, about the Chambers-Hiss case. According to reliable sources of information, the title is "Witness" and the play is based on the best-selling book of that name by Whittaker Chambers. Chances of spring production are said to be excellent.

F. H. "Baldy" Harper, writer for HUMAN EVENTS, and *The Freeman*, has gone to Sweden to study the "Middle Way," now twenty years after that Scandinavian socialistic system was started. The rather disappointing (to liberals) results of the famous experiment in planning and a mixed economy has for some time attracted the attention of those who study the failures of socialistic ventures. One of these is Harper, who may write a book on the basis of his findings. He has been for some years on the staff of the Foundation for Economic Education, Irvington-on-Hudson, N. Y.

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Article Section

A CRIMINAL LAW

Why Judges Are Lenient With Income Tax Evaders

By FRANK CHODOROV

IN THE philosophy of the law — which is often at odds with the practice of law — crime is divided into two kinds. One kind consists of acts which are held to be inherently evil or, as the dictionary puts it, are "unlawful regardless of statute." In this category are included murder, robbery, rape and acts of violence not prompted by self-defense. A crime of this sort is called a *malum in se,* an evil in itself.

The second category of crime is called *malum prohibitum* — an act that is forbidden by law and would not be a crime if there were no law making it so. That is, it is a legal rather than a moral crime.

Sometimes the courts take cognizance of this distinction, especially in imposing penalties on convicted criminals; not so much because judges are influenced by philosophy but because they are human. Conscience will not permit them to go as hard, for instance, on a tax-evader as on a burglar.

Also, if the tax-evader is a man of moral integrity, and bears an honorable reputation in all other respects, a judge is likely to make the punishment fit the character of the criminal rather than the crime. On the other hand, if the culprit is suspected of having committed a *malum in se,* even though unproven, the full weight of the tax law will be brought to bear upon him.

This philosophic classification of crime was suggested by a recent series of articles published in the Scripps-Howard newspapers. The burden of the articles was that the courts are much too reluctant to impose jail sentences on convicted violators of the income tax law; when jail sentences are imposed, because the violation seems too flagrant to call for a mere fine, they are frequently suspended or the culprit is confined for a month or two, rather than for the five-year limit.

The tenor of the articles was quite hortatory — "something should be done about it." Because the argument was supported by numerous court cases, evidently taken from official files, it can be inferred that the articles had the blessing of the Internal Revenue Bureau. But, one cannot fault the Bureau, or the recent Commissioner T. Coleman Andrews (just resigned), who was frequently quoted, for any help they may have given the author. The bane of every law enforcement officer is the leniency of the courts in handling of offenders; not only does he feel let-down when the lawbreaker he has so painstakingly tracked down is let off with a "slap on the wrist," but also he is convinced that such treatment makes law enforcement more difficult.

The penal theory is that the incidence of crime is in inverse ratio to the severity of punishment meted out to criminals. The policeman does not, cannot, take into consideration the fact that the law itself is an

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invitation to crime that no amount of punishment can rescind. If anything "should be done about it," perhaps the crime-creating law should be looked into rather than the enforcement machinery. But, that is a matter for Congress, not the Internal Revenue Bureau.

IT IS AN interesting fact that the tax-evasion cases that come to court involve amounts that run into thousands of dollars, giving the impression that only the rich thumb their noses at the law. It would seem, from the record, that every penny-ante poker player reports all his winnings, that all part-time maids and odd-job workers scrupulously include all earnings in their tax reports. Only those in the higher brackets, apparently, are dishonest.

However, it is more reasonable to presume that the Internal Revenue Bureau concentrates on cases in which the retrievable amounts are sufficiently large to warrant the expense of detection and prosecution. Not that the Bureau condones cheating on a small scale; its business is to collect every cent the law demands. Obviously, its working force is not large enough to scrutinize every one of the millions of income tax reports it receives, nor to prosecute every citizen who is suspected of claiming an unwarranted deduction or of failing to report some trifling income that would raise his tax a few dollars. Revenue, not the upholding of the dignity of the law, is the prime consideration of the Internal Revenue Bureau, and the best it can do with minor dodgers is to come up occasionally with an "example" case.

But, why belabor the point? Tax-dodging has become a common American habit, among rich and poor alike. True, the wage earner, with no other income, has little chance to avoid paying all his taxes, simply because they are deducted from his earnings by his tax-collecting employer; the worst he can do is to claim exemption for the maintenance of a child he never sired, or to deduct a doctor's bill he never paid. And it can be taken for granted that more of this goes on than the Bureau can prove, not only because the cost of detection would be prohibitive, but because the temptation to save a dollar or two in taxes is strong with the low income taxpayer. And wage-earners make up the bulk of the taxpaying public.

This is exactly what the Commissioner of Internal Revenue is afraid of. In other countries, particularly France and Italy, the non-payment of income taxes is so general that it is taken for granted even by the authorities. Not the slightest stigma is attached to the dodger; he even brags about his ingenuity to his neighbors and is respected for it. Is that not the trend in this country? The avoidance of taxes by the building up of "expense accounts" is an open secret in the business world, while those accountants who cleverly detect loopholes in the law through which to snatch a tax dollar are in great demand. The only inhibition about talking about tax evasions is the fear of being reported by an envious neighbor or disgruntled employee.

The point is that a law which does not have the support of public opinion is a difficult one to enforce. You cannot put a cop on every scofflaw when almost everybody is one, not excluding the cop. Putting a couple of hundred thousand law-breakers behind bars will cause consternation, but will not win public acceptance of the law. Strict enforcement of the income tax law, by indiscriminate and strict use of its penal-

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ties, could result in such revulsion of feeling that its repeal or modification would be demanded, with the consequent loss of government revenues and to the great discomfort of the bureaucracy.

WHY IS THE income tax law in such evil repute that evasion of it is not considered an evidence of moral turpitude? Because unconsciously the public suspects that it is of itself immoral. There is no denying the fact that the Sixteenth (income tax) Amendment is in principle the denial of private property. This law, for the first time in American history, gave the government a prior lien on the earnings of all its subjects, rich and poor alike. What the citizen may retain for himself is a matter of government discretion; the rate of taxation may be raised at will, and the exemptions likewise reduced. There is no provision in the Amendment that limits the amount of a man's income that the government may take. Legally, every cent may be appropriated.

In the Scripps-Howard articles, the income tax is referred to as a "voluntary tax system." This is about the silliest phrase that has ever appeared in the public press. There is no such thing as voluntary taxation; all taxes are compulsory. There never was a tax law that did not contain a sanction clause.

Indirect taxes, those that are added to the price of commodities, are the nearest thing to voluntary payments, because the consumer can avoid paying them by going without the commodities. But the direct tax on incomes is unavoidable, except by reducing one's income, and if that were the general practice, the government, judging by past performance, would lower exemptions and raise rates. It is the most pernicious of taxes in that it violates the basic right of existence, the right to own what one earns. That's what gives it an immoral character.

To be sure, the tax evader is not a philosopher, not even a student of taxation; he is merely a fellow trying to keep for himself a few dollars that the law says belongs to the government. A far higher type of individual is the one who pays all the taxes levied on his earnings — even so he knows the law is unjust — because he believes lawbreaking is an evil that can spread and undermine orderly living.

That's what happened during prohibition; violation of the Volstead Act encouraged hijacking, gang murders, speakeasies and the immoralities brought on by drinking bathtub gin. The income tax law violates the far more important right of a man to keep and enjoy the product of his labor. Evasion, and the condoning of evasion by one's neighbor, is evidence of a rebellious spirit at work in the country.

THE NEWSPAPER articles hinted that evasion is on the increase; the writer thought the trend could be turned by the wholesale imposition of jail sentences. If he had done his homework properly, he would have learned that evasion of income taxes in the Roman Empire was so common that the rulers resorted to torturing tax evaders as a means of getting true income reports. And he would have also learned that the rack did not make for law-abidingness. All it did was to hasten the flight of capital, mainly to the Byzantine Empire, thus contributing to the decline of Rome.

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We have not come to that pass. That is because the law still allows us to keep enough of our income to have a television set in the parlor and an automobile in the garage; our productive capacity is so great that despite the thirty percent taken by the government we still have enough for such luxuries. Perhaps the unavoidable laxity of the law enforcement agency and the leniency of the courts toward evaders contribute something to our opulence. But if the government resorted to measures approximating those of Rome, what result could we expect?

Already the tendency to cut down on one's earnings has shown up. And that means a reduction of production. It is not uncommon among those in the higher income brackets to reject opportunities promising profits because the net return after taxes is not warranted by the risk and the trouble involved. Even wage workers are known to compute their net take-home wages before accepting overtime jobs. Rocky Marciano is reported to space his fights so as to avoid the higher deductions imposed on larger incomes.

Socialism — and the income tax is the keystone of every variety of socialism — fails because, under it, interest in production wanes. Why work when there is nothing in it? As production declines, the revenue of State declines, for the State has no source of income other than the output of its citizenry. But the State does not meet this situation by lowering its expenditures. Its answer to the decline of production is to increase the levies, which in turn further discourages productive effort. In time, the well from which it draws its sustenance dries up, and the State withers away. That is the real withering-away theory, supported not only by logic, but also by the history of mankind. Every nation, every civilization, of which we have any records, that passed out of existence, went through the same wringer of taxation.

The corrosion of the economy by heavy taxes is accompanied by the spiritual corrosion of the people. It begins with the tax evasion which is nothing but plain ordinary lying. When a man falsifies his tax return, he is guilty not only of lawbreaking but also of dishonesty, and a *malum prohibitum* is metamorphosed into a *malum in se*. The habit of lying about one's income spills over into other areas until honesty ceases to be a virtue. And when dishonesty becomes a way of life, the other moral values on which civilization rests lose their force. Love of country, patriotism, suffers most, for a country in which one lives by "getting away with it," becomes unlovely. Therefore, when a band of Huns comes along to take over the country, it meets with little resistance.

Perhaps this is looking too far ahead. Yet, when it is proposed to throw Americans into jail for cheating on their tax returns, one cannot help thinking about the tax-collecting methods of Rome and what happened to that civilization. America is too good for that fate. Perhaps it is time we applied the lesson of history to our own circumstances. It very clearly indicates that we had better repeal the Sixteenth Amendment and stop making criminals out of honest men.

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